

VIII. PROJECTED HOUSING SUPPLY

Background

A key component of the Housing Element is a projection of a jurisdiction's housing supply. State law requires that the Element identify adequate sites for housing, including rental housing, factory-built housing and mobile homes, and make adequate provision for the existing and projected needs of all economic segments of the community. This includes an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

ABAG requires that the City provide enough land to accommodate a total of 3,423 housing units between January 1, 1999 and June 30, 2006. State law requires that these units be for a variety of income groups, including those with very low, low, moderate, and above moderate incomes. The following table lists how the City is meeting ABAG's "fair share" housing requirement:

**Table VIII-1
Summary of Fair Share Housing**

Total units required by ABAG	3,423
Units built in 1999-2001	- 813
Units approved or under construction (pipeline projects)	- 430
Potential units on existing residentially zoned land (Only a few of these sites are vacant. Most are underdeveloped.)	-1,254*
NET UNITS NEEDED	904
NET UNITS PROJECTED on sites proposed for rezoning or ordinance changes to produce more units.	940*

* Assumes build-out at 80 percent of maximum density on most sites.

The 813 units built between 1999 and 2001 is the number of housing units that have been cleared for occupancy (building permits have been "signed off"). None of these units is subsidized. Most of them (687 units) have been priced to be affordable to persons with above-moderate incomes (above 120 percent of median income). The remainder (126 units) were priced to be affordable to persons with moderate incomes (100 to 120 percent of median income). These units sold in 1999 for \$240,000 to \$295,000 (two-bedroom units) and \$300,000 to \$345,000 (three-bedroom units). These prices were within the moderate income affordability range of \$283,000 (for a two-person household) to \$357,000 (for a four-person household) in 1999. The following table summarizes information on how these units were determined to be affordable when they were sold in 1999.

Table VIII-2

Sales Prices of Affordable Housing for Moderate-Income Households in 1999

Household Size	Moderate Income (100-120% of Median)	Maximum Affordable House Price	Unit Size	Actual Sales Price
2-person	\$66,100 - \$79,320	\$236,000 - \$283,000	2 bedroom	\$240,000 - \$295,000
3-person	\$74,300 - \$89,160	\$266,000 - \$320,000	2 bedroom	\$240,000 - \$295,000
4-person	\$82,600 - \$99,120	\$297,000 - \$357,000	3 bedroom	\$300,000 - \$345,000

Maximum affordable house price is the amount that a household earning 120% of median income can pay, assuming (1) 33% of its income goes toward mortgage, taxes and insurance, (2) a 30-year mortgage with a fixed interest rate of 8% and (3) a 10% down payment.

The 430 housing units in the "pipeline" are in projects under construction, projects undergoing building permit review and projects that have received planning approval only (have been entitled). As of January 1, 2002, about 360 of the pipeline projects were under construction. They include Avalon Bay on El Camino (211 units), several Downtown projects (60 units) and the Mora Ortega townhouses (60 units). The other "pipeline" units are in projects ranging from 1 to 15 units and are at various points in the pipeline. (Approved projects almost always move to the construction stage.) With the exception of a few Below-Market-Rate (BMR) units priced for moderate-income households, all of the projects are priced at above-moderate incomes. (The 120-unit efficiency studio project aimed at very low income households had not yet been approved on January 1, 2002.)

Less than two percent of Mountain View's total land area is currently vacant or readily developable. In order for Mountain View to meet its Fair Share Housing Allocation, it will be necessary to zone land currently developed as commercial or industrial to residential. Redevelopment is inherently more challenging than developing raw land. There are likely to be environmental issues. There will be older buildings housing small businesses that can not easily relocate to other areas within the city. Converting these commercial/industrial areas to residential could reduce the tax base within the City, which could have a negative effect on City revenues and the ability to fund residential services. The specific areas listed in Table VIII-3 are felt to have reasonable potential for supporting residential use after taking these various factors into account.

The effort to identify new housing sites that could accommodate the additional 926 units needed for the Fair Share Allocation began with a review of every area which was vacant or underdeveloped or where the age or condition of existing development indicated a potential for redevelopment within the next 5 – 10 years. Consideration was given to existing land use, age and condition of development, ownership patterns, infrastructure, and potential environmental constraints. After this review, seven areas, most consisting of multiple parcels, are recommended for rezoning consideration. The recommended sites require rezoning to higher than existing residential densities, rezoning from non-residential zone districts to residential zone districts or

ordinance amendments to allow mixed-use in the Neighborhood Commercial zone. These actions are needed to produce the capacity for additional units.

One of these seven areas is not a specific site, but rather a proposed zoning ordinance amendment that would allow some older apartments to redevelop at higher densities, resulting in a net gain in units. While it is not known which specific privately-owned sites would redevelop and take advantage of this increase in density, review of the City's housing inventory identified multiple sites where it is likely that some form of major building upgrade or total reconstruction would occur in the near term.

The following table shows an estimate of the potential increase in units that could be derived through the rezonings and ordinance changes. The estimate assumes that each site will be built out to 80 percent of the maximum allowed by zoning. This is slightly higher than the historical average because of Action 1.f which seeks to increase the number of sites developed at maximum density.

Table VIII-3
Projected New Housing Units from Rezoning and Ordinance Changes

AREA	Potential Units at 80% of Maximum Zoning Capacity
AREA 1: (A) Plymouth/Sierra Vista and	236
(B) Colony/Rengstorff	22
AREA 2: Wyandotte East of Independence	141
AREA 3: Ada/Minaret	101**
AREA 4: Moorpark/Alice	42
AREA 5: Northwest Corner of Moffett/Middlefield	192
AREA 6: Moffett Shopping Center*	31
AREA 7: Higher densities at sites with older apartments	175
TOTAL	940

* Not adjusted to 80 percent

** Net increase over existing zoning

The State requires that the Housing Element clearly demonstrate the capacity and development feasibility of the housing sites in its inventory of existing and potential residentially-zoned land. Mountain View is already almost fully developed and all of the sites are infill, meaning that there are existing streets, utilities and City services. However, both existing and potential housing sites have been further evaluated to assess availability of infrastructure (including water, sewer, transportation, parking, and public parks) and possible environmental constraints, such as traffic, noise or toxics. In addition, a new Initial Study of potential environmental impacts was prepared for the potential sites.

Appendix B provides more detailed information about each potential housing area, as well as the larger sites that are already zoned for residential. The information shows that there is adequate

water and sewer capacity for each area. Minor street right-of-way dedications and improvements may be needed for three of the potential housing sites. The Initial Study concluded that there were no environmental impacts that would rule out any of the potential sites for future residential use, although several areas will require more specific analysis, of noise in several areas and hazardous materials in one area, at the time of rezoning. An Action item (1.e) proposes to limit hazardous materials use within and near the industrial areas proposed to be rezoned for housing so that new hazardous uses do not move in prior to redevelopment.

Existing Commercial/Industrial Areas (Areas 1, 2 and 6)

AREA 1: (A) Plymouth/Sierra Vista and (B) Colony/Rengstorff (13.7 acres)

AREA 2: Wyandotte East of Independence Avenue (8.85 acres)

AREA 6: Moffett Shopping Center (1.67 acres)

These sites generally contain existing small businesses and/or appear to be underutilized.

Areas 1 and 2 are in the MM (General Industrial) zoning district and could be rezoned to medium high density residential as has occurred elsewhere in Mountain View in the past 5-8 years. The Crossings, 360 units at 21 units per acre, was previously a shopping center, and Whisman Station, 503 units at 14.5 units per acre, was previously a part of the GTE campus. The general concerns related to conversion of commercial or industrial properties to allow future residential use apply to these properties. On the other hand, the buildings in these specific areas are significantly older, in general, than other industrial development in the City and, so, are closer to the end of their economic and practical building lifetimes. Rezoning would reduce land use conflicts between the existing industrial and adjacent residential land uses and would enlarge the existing residential neighborhoods. Both sites have significant potential for adding to the community housing stock.

Area 1(A) (Plymouth/Sierra Vista) contains 21 parcels ranging in size from 0.22 to 1.61 acres. The large number of small-sized properties under separate ownerships will make land assembly challenging. This area already contains some residences that are located on the south side of Colony Street. The area west of Area 1(A) (between Rengstorff and Sierra Vista) is currently residential. Changing Area 1(A) to residential would strengthen this neighborhood and extend it to U.S. 101. This change would eliminate existing land use conflicts and reduce truck and commercial traffic through this neighborhood. Any new residential use in Area 1(A) would require additional buffering and/or sound walls to reduce noise from Highway 101 and possibly from businesses on Old Middlefield Way in the neighboring Service Commercial zone. The City has acquired land for a future park at the corner of Sierra Vista and Plymouth, within Area 1(A).

Area 1(B) (Colony/Rengstorff) is an industrial building on two parcels at the corner of Rengstorff Avenue and Colony Street. It is bounded by residential uses on three sides and commercial on the fourth.

Areas 1(A) and 1(B) are recommended for R3-2 zoning (18 units on one acre of land²³), which is compatible with surrounding properties. Higher density zoning could be considered for the easterly end of Area 1(A) adjacent to the freeway to enable mitigation expenses to be spread among more units. The higher density would also facilitate larger buildings that, in themselves, provide a noise buffer for the remaining area.

Area 2 (Wyandotte Avenue east of Independence Avenue) is primarily on the north side of Wyandotte Avenue, across the street and adjacent to an existing residential area near Rengstorff Avenue. (There are also three parcels on the south side of Wyandotte.) There are currently some older residences located in the area. Area 2 is recommended for R3-2 zoning (18 units on one acre of land), which matches the zoning of the surrounding parcels.

Area 6 (Moffett Shopping Center) is a retail center with neighborhood-serving businesses. It is zoned CN. The proposed change is to allow (but not require) mixed use with residential in this location. Based on the average density of two current mixed-use developments along El Camino Real (19 units per acre), approximately 31 units could be built at this 1.67 acre site. Although some of the existing neighborhood-serving businesses might be displaced as a result of redevelopment, a mixed-use development could improve site planning and building design while allowing existing or new businesses to relocate here. Action 1.c recommends mixed-use in other areas zoned CN which could create the potential for additional residential units. These areas have not been studied and therefore the potential units are not included.

Existing Residential or Vacant (Areas 3 and 4)

AREA 3: Ada/Minaret (4.64 acres)

AREA 4: Moorpark/Alice (2 acres)

Areas 3 is a vacant site, while Area 4 has existing housing that could be potentially redeveloped at higher densities.

Area 3 (Ada/Minaret) contains two separately-owned parcels, one of which has a very large “hole” created by gravel extraction from the site in the 1930s. It is surrounded by other R3 residential areas ranging in density from about 10 to 20 units per acre. Area 3 is recommended for R3-1 zoning (33 units per acre on a one-acre site; 41 units per acre on this 4.63-acre site at 100 percent buildout) which is somewhat higher than the zoning of adjacent parcels. Development at this site could utilize the large “hole” at the site for underground parking, which would allow for higher densities at the site while still yielding building heights compatible with the adjacent two-story apartments and townhouses. Development of apartments would require the standard environmental review and approval of a Development Review Permit. If condominiums were proposed, a subdivision would be required as a part of the approval process. Some street right-of-way dedications and street improvements will be necessary. Ada is only a half-street.

²³ Density is calculated on a sliding scale which increases as the size of the site increases. For example, a one-acre site in the R3-2 zone has a density of 18 units per acre while the density on a two-acre site is 20 units per acre.

Area 4 (Moorpark/Alice) is an isolated pocket of older single-family homes on various small parcels, and is surrounded by high density R3 properties, Highways 237 and 85, some single-family houses and a mobile home park. Area 4 is recommended for R3-1.25 zoning (27 units per acre on one acre of land), which is consistent with the zoning of adjacent parcels. As with Ada/Minaret, it is expected that development of apartments would require the standard environmental review and approval of a Development Review Permit. If condominiums were proposed, a subdivision would be required as a part of the approval process. Since the parcels are all individually owned, property owners would have to voluntarily merge their parcels (as several have proposed) or sell them individually to a developer. Some street right-of-way dedications and street improvements will be necessary.

Vacant Land with Public Facility (PF) Zoning (Area 5)

AREA 5: Northwest Corner of Moffett/Middlefield (6 acres)

Area 5 (Northwest Corner of Moffett/Middlefield) is vacant land owned by the federal government and managed by the Army Corps of Engineers. It is surrounded by residential uses. Area 5 is recommended for a density of 40 units per acre because the approximately 6-acre parcel, standard lot configuration, and boundaries of major arterials provide a good opportunity for a higher density development.

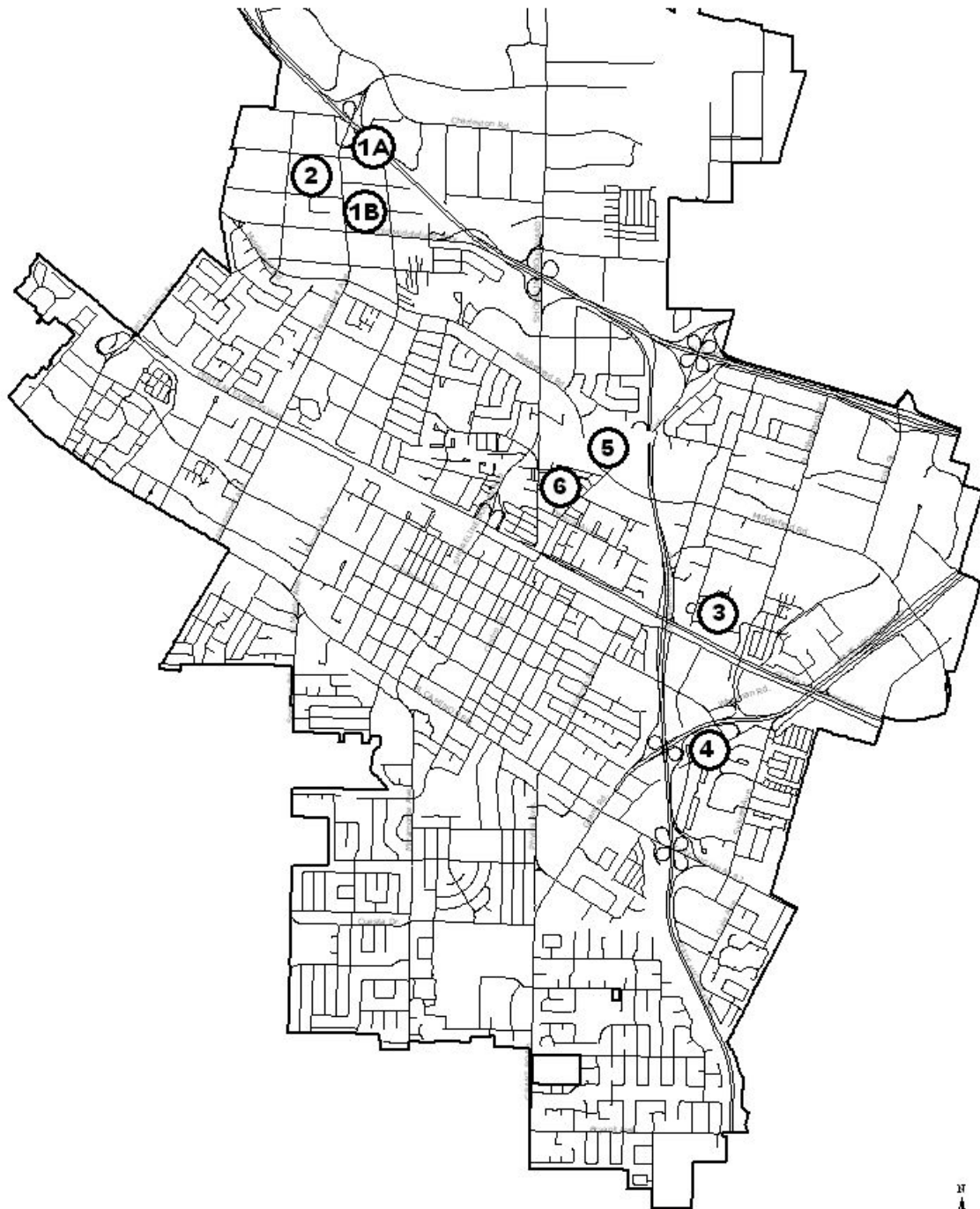
The City Council has expressed interest in working with the Army to develop affordable housing at this site and federal representatives have been receptive. In 2002, the Army began a process to privatize the military housing it operates at and near Moffett Field under the Residential Communities Initiative (RCI). The vacant Moffett/Middlefield property is part of this military housing. As part of the RCI process, the Army will select a developer to prepare a Community Development and Management Plan that includes development, financial and management components. During the preparation of this plan, the developer is to confer with Congressional oversight committees as well as representatives from the local communities and other Army and Defense Department organizations to ensure the needs of all interested parties are addressed. The City expects to use this opportunity to work with the Army and developer regarding the City's interest in obtaining title or beneficial use of the parcel, exploring some kind of joint venture (e.g., housing, child care) or other yet-to-be-defined options that would benefit both the military and the community. It is expected that the development plan for the military housing and vacant land will be complete by late 2003.

Zoning Ordinance Amendment to Allow Higher Densities for Older Apartment Buildings

AREA 7: Higher Densities at Sites with Older Apartment Buildings (no specific sites)

Area 7 is not a specific site, but a program to consider rezoning or other zoning ordinance changes that would allow older apartment buildings to be redeveloped at higher densities. Redevelopment at higher densities would not only result in more units but would also update and improve site planning and design. While rebuilding with new apartments would remove these generally affordable units, it is likely that the older buildings would be rehabilitated anyway in the next five to 10 years, and rents would increase. This has happened to about 900 units in

Housing Sites



older buildings in the past few years. They include two very large projects (151 Calderon with 294 units and 100 N. Whisman with 354 units) and three smaller projects on California Street (total of 150 units). Although the buildings were physically upgraded, the parking, open space, setbacks and site plans in general have not been brought up to current standards. By encouraging redevelopment rather than rehabilitation, some units would be preserved as affordable through the City's BMR program.

To assess the potential for redevelopment under this program, staff searched its housing data bases for examples of sites that would be good candidates for redevelopment. Criteria for the search included sites greater than one acre that contained existing apartments older than 30 years and that would generate more than 20 net new units each when redeveloped at densities compatible with the neighboring properties. In this test of the potential benefit of this type of zoning ordinance amendment, about 175 net new units (increase over the existing number of units) was found to be realistic.

Apartment buildings in Mountain View may need further aging and deterioration before it is economically feasible to demolish and replace them with higher density buildings. Creating an incentive through an increase in potential density upon redevelopment may encourage quicker and more complete upgrading of older apartment areas than would normally occur through the market place.

Taken together, the seven sites will accommodate approximately 940 potential housing units, which is based on buildout at 80 percent of the maximum allowable density. They would provide sufficient sites at appropriate densities to allow development of the number of units required by ABAG to meet the City's 3,423 unit "fair-share" of regional housing.

Table VIII-4
Summary of Units To Meet "Fair Share"

Units Built 1999-2001	813
In Pipeline	430
Currently Zoned Sites	1,276
Proposed Sites	940
TOTAL	3,460

In addition to these sites, the Housing Element also identifies a 25-acre site at the corner of San Antonio Road and Central Expressway as having potential for housing and other uses if redevelopment is initiated by the property owner (Action 1.d). The property owner, Hewlett-Packard, has decided to close its office and training facility on the site, but has not determined whether to sell it as is or to sell it for redevelopment.

Another objective of the Housing Element is to provide a balance of housing units by affordability level. The affordability of housing is determined by many factors, but one of those factors is density. In very broad terms, higher density housing is more affordable than lower density housing. However, it should also be noted that at any density, the private market is likely

to produce housing that is affordable only to households earning approximately the median income or above. Density will need to be coupled with other financial assistance programs as identified in the Goals, Policies and Actions of this Housing Element to produce housing affordable to lower income households. The following table summarizes the development potential in each of three density ranges that generally correspond with lower, moderate and above-moderate income units.

**Table VIII-5
Housing Sites and Units by Density Ranges**

Sites with Higher Density Zoning (More than 20 units per acre)

Zoning (Zone Districts, Precise Plans)	Zoning Density (Units/Acre)	Potential Units at 100%	Potential Units at 80%	FAIR SHARE
<i>Sites with higher density zoning (20+ du/ac) for low and very low income projects</i>				
<u>Existing Zoning</u>				
R3-1.5	23	20		
R3-1.25	27	6		
R3-1	33	25		
CRA	43	150		
Villa Mariposa PP	30	50		
Evandale PP	20-38	120		
Evelyn Corridor PP	15-25	155		
Whisman PP	15-25	78		
Downtown PP	Varies: >20/acre	320		
San Antonio PP*	60	120		
Subtotal		1,054	859*	
<u>Proposed Sites</u>				
3. Ada/Minaret (R3-1)	33	124	101	
4. Moorpark/Alice (R3-1.25)	27	53	42	
5. NW Corner Moffett/ Middlefield	40	240	192	
7. Policy on higher densities in MF zones		233	175	
Subtotal		650	510	
Total Potential			1,370	
Units Built 1999-2000			0	
In Pipeline			0	
TOTAL POTENTIAL FOR HIGHER DENSITY UNITS			1,370	1,029

*Assumes buildout of efficiency studios at 120 units (100%)

Sites with Moderate Density Zoning (13 to 20 units per acre)

Zoning (Zone Districts, Precise Plans)	Zoning Density (Units/Acre)	Potential Units at 100%	Potential Units at 80%	FAIR SHARE
<i>Sites with moderate density zoning (13-20 du/ac) for moderate-income projects</i>				
<u>Existing Zoning</u>				
R3-2.5	15	17		
R3-2.2	17	15		
R3-2	18	140		
R3-3	13	60		
394 Ortega PP	14.5	28		
Mora-Ortega PP	14.5	80		
Subtotal		340	272	
<u>Proposed Sites</u>				
1.(A) Plymouth/Sierra Vista and 1.(B) Colony/Rengstorff (R3-2)	18	323	258	
2. Wyandotte (R3-2)	18	176	141	
6. Moffett Shopping Center		31	31*	
Subtotal			430	
Total Potential			702	
Units Built 1999-2000			126	
In Pipeline **			371	
TOTAL POTENTIAL FOR MODERATE DENSITY UNITS			1,199	991

Buildout based on other mixed use projects

Sites with Lower Density Zoning (Less than 13 units per acre)

Zoning (Zone Districts, Precise Plans)	Zoning Density (Units/Acre)	Potential Units at 100%	Potential Units*	FAIR SHARE
<i>Sites with lower density zoning (less than 13 du/ac) for above moderate income</i>				
<u>Existing Zoning*</u>				
R2	12	46	46	
R1	6	115	105	
Subtotal		161	145	
Units Built 1999- 2001			687	
In Pipeline			59	
TOTAL POTENTIAL FOR LOWER DENSITY UNITS			891	1,403

* Assumes buildout to maximum based on past experience

TOTAL ALL CATEGORIES			3,460	3,423
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This table shows that there is enough land zoned (or potentially rezoned) at 20 or more units per acre to support up to 1,370 higher density housing units. This is the density needed for low and very low-income housing units and demonstrates that the City has provided sufficient land zoned

at the appropriate densities to meet its "fair share" obligation. Whether these units would be built for low and very-low income households depends on the availability of funding. The table also shows that there is enough land zoned (or potentially rezoned) at 13-20 units per acre to support 1,199 housing units (some of which have already been built). Combined with market-rate housing built at densities higher than 20 units per acre, this demonstrates that the City has provided sufficient land zoned at the density needed to support its "fair share" of moderate-income units. Also, there is enough land zoned at less than 13 units per acre to provide 891 above-moderate income units (most of which have already been built or are in the pipeline). Combined with market-rate housing built at higher densities, the City can meet its "fair share" of above-moderate income housing.